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BRAZIL

INTERNAL AFFAIRS

1. Medici reportedly has had at least one heart attack and suffers from arteriosclerosis. Any additional information on these problems and on his general health would be useful. (S)

2. Medici is following a program of cautiously giving an increasing role to the Congress and the two political parties. Will this trend continue? What is the likelihood that new parties will be formed?

3. Some security officials have been accused of torturing and executing suspected terrorists. Report on such alleged incidents. If possible, indicate the validity of the accusations in each case. What groups are attempting to publicize the charges in Brazil and abroad?

4. To what extent is the church becoming more active in public affairs? What is the attitude of military and security officials toward Medici's attempts to alleviate problems with the church? What efforts are being made inside and outside the church to curbe criticism of the Government by progressive clergymen? Report on the involvement of clergymen with terrorist groups as to numbers, influence, and potential for growth. (C)

5. There is a need for continuity reporting on state and local events in Brazil, particularly in the areas where US consulates are located. Report on relations among local power groups, such as army commanders, the church, business organizations, and labor unions. (C)

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Declassified
Authority: 44281 By:
Laurie Madsen Date: .
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INTERNAL AFFAIRS (Continued)

6. Is there any evidence of serious dissatisfaction in any substantial labor group?

7. How is Delfim Neto currently perceived by Medici and other military leaders? How is Gibson Barboza perceived by the same group? What is the current state of relations between Gibson and Delfim?

FOREIGN AFFAIRS

1. What evidence is there of Brazilian interest in forming special relationships with Argentina and other countries of the southern region of Latin America? Report on Brazilian efforts to influence domestic political developments in Bolivia, Uruguay, and elsewhere in the hemisphere. In what ways does Brazil plan to assert a claim to leadership in Latin America, particularly ones that might affect US interests in other Latin American countries? Continue to report on Brazilian attitudes toward regional integration.. (c)

2. Is Itamaraty continuing to change its attitude toward the OAS? If so, for what purpose.

3. Reports of any indications of enforcement intentions or changes regarding 200 mile limit law would be useful.

ECONOMIC AFFAIRS

1. It is said that much of Brazil's recent rapid growth was built on unused industrial capacity. Is manufacturing production capacity close to full utilization at present, or are there sectors where unused capacity still exists? (U)

2. How can the strength of consumer demand be characterized? Are there soft spots in demand? Has availability of installment credit improved following the restrictions on activities of the financeiras? What effect has this had on demand? (U)

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ECONOMIC AFFAIRS (Continued)

3. Monthly assessments of stock market trends would be useful.
4. Late in 1969, tax incentives were granted to stimulate investment in agriculture. Is agricultural investment increasing? What geographical areas and agricultural activities have benefited most? (U)
5. New coffee-planting programs independent of the National Government's plans were announced by the States of Parana and Sao Paulo. Are these being carried out? If so, do they conflict with the National Government's policy? How are they financed? Will they eventually add appreciably to production? (U)
6. Report trade negotiations (e.g., barter agreements) between producers' groups or their representatives (e.g., coffee or banana growers) and Communist countries. Report details, including price and other terms. (C)
7. Give indications of success or lack of success of permanent trade missions (official or unofficial) representing Communist countries. (C)
8. Furnish trade data on total national trade with individual Communist countries, including separate data for major commodities. (C)
9. Report on any recommendation to modify the law regulating the sale of land to foreigners. (U)
10. Provide information on Brazilian concerns over US protectionism and possible retaliatory trade action. (C)

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MILITARY AFFAIRS

1. Identify individual military officers who regard themselves, or are regarded by others, as proponents of the so-called "hard line." What action are these officers taking to gain wider acceptance of their views and to influence political developments? (U)

2. What indications are there that a strong nationalistic spirit, with possible anti-US overtones, may become an important influence among the Brazilian Armed Forces, particularly among middle-grade officers? (C)

3. Report on the military's actual or planned purchases of military equipment from non-US sources. Provide all available information on the terms of any contracts that have been signed, especially the one with France for Mirage jet fighters. (C)

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| DEPARTMENT OF STATE REFERENCE SLIP | | | | DATE 6-15 | | |
|--|---------------|-----------------------|------------------|------------------|-----------|------|
| TO: | Name or Title | Organ. Symbol | Room No. | Bldg. | Initials | Date |
| 1. | Mr. Dean | ARA-LA/BR | 4906 | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| Approval | | Initial for Clearance | | Per Conversation | | |
| As Requested | | Necessary Action | | Prepare Reply | | |
| Comment | | Note and Forward | | See Me | | |
| For Your Information | | Note and Return | | Signature | | |
| REMARKS OR ADDITIONAL ROUTING | | | | | | |
| <p>I would appreciate having your reply back here by June 29.</p> <p>FOR } In considering this JJ } CIRL let's give them a hand in making a small list of items we have a real interest in & are not adequately covered. Dell</p> | | | | | | |
| FROM: (Name and Org. Symbol) | | | ROOM NO. & BLDG. | | PHONE NO. | |
| G. Lister | | | 6912 | | 22368 | |

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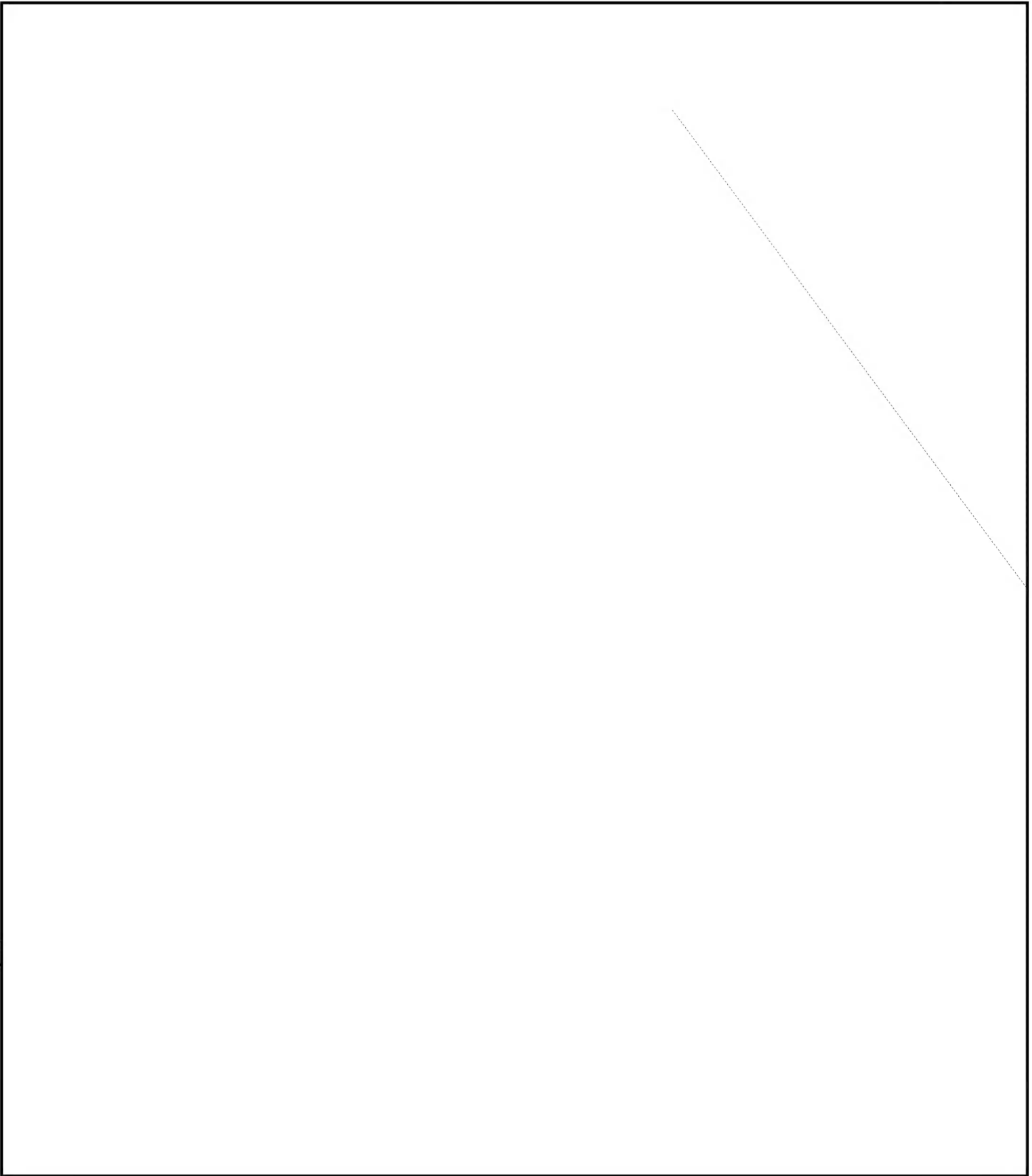
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